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LISBON VALLEY MINING CO

Ms. Susan White
Utah Division of Oil, Gas, & Mining
1594 West North Temple Suite 1210
Salt Lake City, UT 84114-5801

February 1, 2007

Mr. Lynn Jackson
US Bureau of Land Management
82 East Dogwood
Moab, Utah, 84532

Re: Revised Mine Plan and Bond Adjustment Request. Lisbon Valley Mining Company LLC. 920 South County Road 313, La Sal, Utah, 84530.

Dear Susan and Lynn:

The Lisbon Valley Mining Co LLC (LVMC) respectfully submits this response to our initial bond adjustment request dated 1-22-08. Response is provided in red and underlined. A revised Plan of Operations (POO) text, site map, bond estimate, and summary table are attached. The site map is an as-built topo base showing waste dumps, pits, haul roads, and leach pad. This map reflects a draft Interim Reclamation Plan currently in progress. LVMC will submit this plan for your review after our (LVMC) equipment and operator resources are better defined later in the month.

Our present objectives are to

- communicate the reduction of ground disturbance in response to mining cessation,
- secure key staff and equipment,
- secure funding to expedite concurrent reclamation.

Comments & Response

- The spreadsheet doesn't identify the total leach pad acreage, will you please provide it? Also provide the leach pad acreage for the area being used. Total leach pad acreage is approx. 187 acres. Ore occupies approx. 105 acres.

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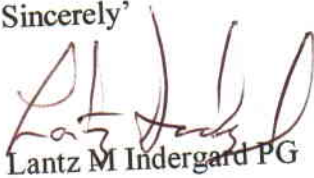
- the lime rate is a constant 2.5 lbs/ton? Yes. has that rate been increased in the rinse? No Will the rate change? If the lime use/rate changes it will likely decrease.
- The page numbers on the recently received plan amendment do not match the page numbers in the original plan. Please make corrections and update the table of contents. (Paul mentioned this submittal is meant to replace the original). We may require clarifying information, but in the interest of time, I am just doing my best to address the outlined questions so you can move forward. TOC attached with revised POO.
- There is a commitment in the plan to reclaim the pit haul roads, including seed (see page 37 of the original plan and page 42 of the recently submitted update), you will need to modify the spread sheet to include those costs. The current revision clarifies reclamation of haul roads.
- I don't see costs for planting the pinyon junipers at the pit entrance areas. Pinyon trees will not be planted at pit entrances. BLM discourages PJ and encourages rangeland. POO has been revised.
- I don't see costs for signs (or an explanation as to how these areas will be marked) where pit perimeter fencing will be placed. What is the height and type of pit perimeter fencing? Pits will be fenced and/or bermed in the valley areas near the County Road. Jeep trails accessing the Sentinel pits from the east will be bermed. Signage will be posted along pits in these areas.
- Please identify the spreadsheet cost location and amount for testing the pad materials after draindown & evap Anticipated leachate sampling cost is approx 5000 (12 samples @ \$400). This cost is built into the Heap Rinse section of the spreadsheet.
- Please identify where the cost is shown for removing the sprinklers. HDPE is salvaged. Present salvage value for piping is approx. \$2/ft..
- What is the duration of the testing program of the materials that are remaining on the pad? Is that cost shown on the spreadsheet? The rinse phase and associated testing is anticipated for 18 months. This cost is built into the Heap Rinse section of the spreadsheet.
- what is the source of the clay material on the top of the heap? Is that cost shown on the spreadsheet? Clay derived from weathered Mancos shale is available in and adjacent both Centennial and GTO pits. These deposits were used for pad liner, and can be harvested with scrapers. Clay sources are identified on the site plan. Unit cost is 2.50/cu yd.

- what is the source of the crushed material on top of the heap? Is that cost shown on the spreadsheet? This material is available in the overburden dumps. The spreadsheet identifies a cost of \$2.50/cu yd. ✓
- Does the unused leach area have a liner in place? If so, what are the reclamation plans for the liner in that area? Yes. Part of the exposed liner will be covered with ore as it is graded laterally near the end of the commercial leach cycle. The remaining portion will be covered with overburden/crushed rock and topsoil.
 what is the % of each? Thickness as outlined in spreadsheet?
 what are the plans for the part that isn't covered?
 ok
- Please identify the costs to remove the piping from the leach area. HDPE piping is salvaged per previous response. ?
- Please identify the costs to situate the pond liners. I didn't see a cost for that. Approximately \$43k is bonded for pond area reclamation under Reclamation of Misc Areas.
 so this includes everything activities & work?
 It is hard to believe that 1.25 yd³ can be universally applied to dumps & to ponds?
- Please identify the costs to re-contour the facilities area. Re-contouring in the plant area is part of Plant Dismantling cost. These areas are identified on the site plan.
 then break out all costs for the facilities area so we know what's included - The title "plant dismantling" is then misleading
- Areas that were originally bonded, labeled with acres for each and identified areas that are currently disturbed, please identify including acres areas that have been reclaimed and released (if any), labeled with acres and identified areas that have been soil prep'd and seeded, labeled with acres and identified areas that have been soil prep'd and not seeded, labeled with acres and identified show and label topsoil pile and acres show where clay will be accessed (if on site) show where the crushed material will be obtained (if on site) show land ownership (BLM, SITLA, private) If possible, identify roads that BLM wants to remain (if unknown, please in the legend state, Unreclaimed Roads (BLM) - Unknown). That way, it can be easily identified later, but in the interim, we know there may be some roads that will remain. Attached
- provide pit maps that show as built haul roads, label them with acres, and include the number of acres associated with the in-pit haul roads and the reclamation associated with them. Attached
- Will the test plots studies reveal anything that will result in a change to the reclamation plan (topsoil depth, seed mix etc). Test plots have been seeded in native soils (both Barnum & Cahona series), on topsoil piles, and Waste Dump C.

LVMC intends to solicit BLM approval of seed mix revision in areas where only certain species are pre-existing, like the Barnum series on the east side of the Lisbon Fault.

LVMC appreciates the agencies continued support. Please call Lantz Indergard at (435) 686 9950 #226 if additional information is needed.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lantz M Indergard". The signature is stylized with large, sweeping loops.

Lantz M Indergard PG
Environmental Manager